

## FUTURE OF FREE LUMBER.

UNPUBLISHED INFLUENCE ON THE CANADIAN LUMBER TRADE THROUGH CONTRIBUTIONS FROM MR. WM. LITTLE AND MR. C. H. CLARK.

THE contributions which follow on the change in the lumber tariff in the United States were suggested by a letter of enquiry sent out a month ago to various leading lumbermen in the Dominion.

Mr. Wm. Little, of Montreal, is a well-known contributor on lumber matters, and years of study of the lumber question lends interest to anything he may write, even when everyone may not agree completely with his views. Mr. C. H. Clark, though writing from Duluth, Minn., where for a few months past he has been located, is an old Canadian lumberman, having been for many years identified with the firm of Burton Bros., of Barrie. He has travelled largely throughout leading lumber centres in the United States, a circumstance that ought to enable him to view the present question from a somewhat broad and liberal point of view.

### VIEWS OF WM. LITTLE.

I beg to say in reply to your questions:

1st. What is likely to be the general effect of the removal of the duty upon the lumber industry of Canada?

If our lumbermen act with any degree of prudence, I see no reason why the general effect should not be beneficial to the Canadian lumber industry. I believe this, notwithstanding I am fully aware of the disastrous effects to the lumber trade occasioned by overproduction following almost immediately after the Reciprocity Treaty went into operation in 1854—which stimulated Canadian production to an extent that Canadian pine lumber, which for years previous thereto sold at about \$11 a thousand feet in the Buffalo market, paying \$1 import duty, could with difficulty be sold at \$7 a thousand feet three years after, in 1857, under free imports. My reasons for not anticipating any such evil effects at this time is on account of the change that has since taken place in the amount of the American production. The comparative smallness of our present manufacture for export to the United States, which is now, even in white pine lumber, barely five per cent. when compared with their larger home production, makes our exports a less important factor than forty years ago, when our competition was almost wholly with the limited product of New York and Pennsylvania—Michigan, Wisconsin and Minnesota, now the great sources of supply, not at that time producing to any great extent for the eastern markets. The greater scarcity of white pine and spruce timber both here and in the United States will also do much to prevent any such overproduction as then took place; so that the effect should be beneficial not only to Canada but to the American lumber trade, by showing American lumbermen that in late years they alone are responsible for any disasters arising from overproduction—which has been the great bane of the lumber trade in both countries.

2nd. To what extent will the removal of the lumber duty tend to stop the exportation of logs from Canada to the United States, and induce the manufacture here?

I regret to have to say that I do not think it will have any appreciable effect in restricting the export of pine saw logs from the Georgian Bay district to Michigan. The exceptional advantages possessed by the larger market at milling points in Michigan, such as Bay City, Saginaw, Alpena, etc., where purchasers can supply themselves from an assorted stock with what they require at any time, and have it sent forward by the cheaper water and especially railway service at all seasons, is of itself a great advantage. Then the comparatively small cost and trifling risk in towing logs to mills already established there of the best description, coupled with the value of the offal from the logs for fuel in the production of salt, equal to almost enough to pay the cost of sawing, will tend to cause the continuance of the export of pine logs from that district till the pine timber there is exhausted. It must also be considered that the lower peninsula of Michigan is now so completely stripped of white pine timber that it must for the future require stock from Canada, even for its own home consumption. Some few American firms having lumber yards in Ohio and New York States may manufacture some lumber in Canada, as they can then stock their

yards direct from their Canadian mills, and also a few mills may be built along the railway lines, but in my opinion there will be no falling off in the export of pine saw logs till occasioned by a scarcity of pine timber. It may, however, stop the export of spruce logs intended for lumber from Quebec and the eastern provinces, but spruce pulp wood, which is a growing industry, will be exported in steadily increasing amounts, till our people insist, as they no doubt soon will, that free pulp wood shall be conditional on free pulp.

3rd. Is free lumber likely to lead to the erection of new mills in Canada?

My opinion is that, in so far as the older provinces and eastern Canada are concerned, except along railway lines, not many new mills will be built. The supply of saw mills in these sections is now fully adequate for the existing stock of timber. On the Pacific coast I would anticipate some increase in mill building, as the character of our eastern pine is deteriorating so rapidly in quality that the cheapest and best material to be had in the Montreal lumber market to-day for flooring, ceiling, and general house trimming is clear fir lumber from British Columbia, while for large and long timbers, it must soon be our chief source of supply.

4th. Is it probable that under the new conditions we should witness an expansion of the planing mill business in Canada? Is our planing mill equipment and capacity sufficient to cause any considerable expansion of business? In what position do we stand as to planing mill equipment and methods to compete with the planing mills of Michigan and the Eastern States?

When answering these questions in a general way, I take occasion to say that putting dressed lumber on the free list is the only thing that should at all reconcile us in permitting the free export of saw logs, otherwise I should not consider we were getting anything like fair compensation under the circumstances; as if Canada is to derive any considerable benefit from her timber it must be in its manufacture at home to the greatest possible extent. Foreigners now own such a large amount of our best timber (thanks to the ignorance and indifference of both the Government and people of Canada on this subject) that they will realize the chief benefits to accrue from the rapid advance that must at once take place in the value of timber property, and unless we desire some further advantages than the trifling amounts to be paid the provinces in the way of stumpage dues, the bulk of the value of our forests will be lost to Canada. While I have no doubt that considerable pine lumber will be dressed in Canada, the bulk of our pine will continue to go out in the shape of free logs to Michigan, and the sawing, planing, and all other advantages accruing therefrom go to the benefit of our American friends. And by far the larger quantity of sawed lumber will still go out in the rough, as many of the best millers prefer having their pine lumber especially dressed on the spot where required, as the injury to pine lumber in frequent handling after being planed would more than counterbalance any saving in the expense by having the lumber planed here before shipment. I should, however, anticipate that a large proportion of the spruce lumber, especially that intended for flooring, would be planed at the mills in Canada, as is now largely done at the mills in northern New York; for spruce being a harder and tougher grained wood is not so easily injured by handling after it is dressed. You are of course aware that there is some doubt as to what construction may be put upon the term "lumber dressed," and the question whether flooring, ceiling, mouldings, etc., will be admitted free will depend on the decision of the U. S. Secretary of the Treasury. That all these were intended to be included under the term "lumber dressed" is evident from the discussion that arose in the Senate, when Senator Allen, of Nebraska, had dressed lumber inserted in the bill—some Republican senators objecting and insisting that under this term even doors, sashes, blinds, etc., would be admitted free. As the clause reads "sawed boards, plank, deals and other lumber, rough or dressed," I think it can be fairly claimed that flooring, ceiling, mouldings, etc., are included under the term "other lumber" as there are all descriptions of lumber in the rough, and will be now entitled to free entry whether rough or dressed.

You will also observe that, in accordance with the petition addressed to the Hon. Mr. Secretary Carlisle by Mr. John Charlton "in behalf of the Michigan lumber interest," the Charlton proviso was substituted in the Senate bill for the Wilson proviso as it passed the House. This change is greatly to be regretted, as it will be sure to cause irritation in this province, and may lead to trouble, as our people cannot reasonably be expected to submit for any length of time to the unfair position of permitting the free export of pulp wood while the U. S. government continues to exact duty on Canadian pulp.

The greatest good I anticipate to arise from the removal of the lumber duties is in the effect it will have in causing the people of both countries to become enlightened as to the scarcity and consequent value of standing timber, as the removal of the lumber duties removes all incentives for misrepresenting the true conditions of the forests, which has hitherto been persistently done by interested parties, lest a correct knowledge of their condition might lead to a demand on the part of the American public for the removal of the lumber duties.

Montreal, Que., 1894.

### VIEWS OF MR. C. H. CLARK.

In reply to your questions: (1) What is likely to be the general effect of the removal of the duty from the lumber industry of Canada?

I believe the effect will be to increase the number of saw mills and wood-working industries of Canada, and enhance the value of standing timber of soft and hard woods equal to about half the duty deducted, also increase the price of white pine lumber for shipment, and this will increase the price of white pine lumber to Canadian consumers, which will result in creating a greater demand for hemlock and Norway—which in its order will slightly advance. Basswood, cedar, and all kinds of hardwood will share in the general increase in proportion to the demand.

(2 and 3). To what extent will the removal of the duty tend to stop the exportation of logs from Canada to the United States, and induce the manufacturing of lumber here and erection of saw mills?

In some cases, where Michigan lumber manufacturers have only a limited quantity of standing white pine timber, and others, whose white pine timber is situated a short distance from Michigan, they will probably continue towing their logs. There was an argument in favor of towing logs to Bay City and Saginaw and some other points a few years ago, viz., that a lumber purchaser could go there from most any point in New York State and have 200,000,000 feet to select from and return home in 100 or three days; whereas to see half the same quantity on Georgian Bay would require ten days to two weeks. But lumber business has changed since then, and is going to change more. Now, Saginaw and Bay City do not sell or ship by hundreds of millions as much as they did then, from the fact they have not got the timber to produce it, and they cannot secure and place it at their mills with any degree of safety and economy. They want slabs there to manufacture salt, and they want cull and box lumber to manufacture boxes, but it will not pay to tow 1,000,000 feet of logs to get the slabs, mill culls, and box lumber. Millions of box and cull lumber are now shipped to Bay City from Lake Superior parts, and now that the duty is off, the same grades can be shipped from Georgian Bay mills at \$1.25 per M, which to tow would cost \$2.00, including losses of logs. And after the log has been towed to Michigan and manufactured into lumber, it is not where it is wanted, as much of it is shipped to Detroit, Toledo, Cleveland, Erie, Buffalo, Tonawanda and other places. These same logs could be manufactured into lumber and shipped to the same places and save the \$2.00 paid for towing, as there is no duty now. A few years ago there was only one line of steamers running on Georgian Bay. It then took ten to twelve days to see the lumber, but now there are two lines of ten or twelve first-class steamers calling at different ports, and a buyer can see the lumber he requires in three or four days. Another thing, Canadian lumber will sell without passing it through Michigan and breaking a bottle of wine and "bow" over its christening. Aside from the above, when parties have large quantities of timber tributary to Georgian Bay, they will find it to their interest to have the same manufactured